

Central Intelligence Agency

Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

16 May 1985

Japan: Policy Toward Nicaragua [REDACTED]

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Summary

Nicaragua, like other nations in Central America, is a low priority in Japan's foreign policy. The Japanese have only a small economic interest in Nicaragua and want to stay clear of regional disputes surrounding the Sandinista regime. When Tokyo has acted on Nicaraguan issues, it has generally been in response to US pressure and only reluctantly. We see little likelihood that Japan will abandon its policy of trying to maintain balanced relations in the region. We believe Tokyo will avoid taking steps--such as providing aid to Managua--that would directly counter US policy, but at the same time will resist moves--such as joining in a trade embargo--that could damage its relations with other Latin American countries. [REDACTED]

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This memorandum was prepared by [REDACTED] Office of East Asian Analysis. Information available as of 16 May 1985 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA, [REDACTED]

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Although the Japanese are one of Nicaragua's major buyers--accounting for nearly 20 percent of Managua's total exports in 1984--the economic stake in Nicaragua for Japan is insignificant. Purchases in 1984 (mainly cotton) amounted to only 0.07 percent of Japan's total imports, and sales to Nicaragua (mostly spare vehicle parts) made up less than 0.01 percent of total exports. Japanese businessmen continue to discuss barter deals with Managua, but we see little chance of a significant increase in bilateral trade.

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Japan's Trade with Nicaragua  
(Millions US\$)

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984*</u>
Total Exports	130,435	151,500	138,443	146,982	170,136
Exports to Nicaragua	29	28	19	19	20
Total Imports	139,892	140,830	130,319	125,017	136,451
Imports from Nicaragua	13	57	45	66	90

\*estimated figures

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The Japanese have long acknowledged that Nicaragua and other Latin American countries are in the US sphere of influence. Japan's own policy toward the region has been to maintain good relations with all countries and to stay out of the area's domestic affairs. For the most part, Tokyo's alliance with Washington has not led the Japanese to modify this approach. In general, the Japanese public, press, and foreign policy bureaucrats do not see a major stake for Japan in the current Central American dispute. Ruling party politicians have told US officials that most Japanese do not believe the situation in Central America poses a Communist threat to the United States and that they distinguish Nicaragua from Cuba on the basis of its private economy. The Japanese press, moreover, has usually portrayed Nicaragua as the underdog.

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Tokyo supports the Contadora process--although Foreign Ministry officials privately admit they do not see much hope for a settlement soon--and has emphasized the Contadora call for

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[redacted]

withdrawal of foreign military advisers and a halt to militarization of the region. According to the US Embassy, Japanese officials are skeptical about US policy intentions toward Nicaragua and during US-Japan consultations on Central America in late 1984 said they feared the development of a Vietnam-like situation in Nicaragua. The officials claimed Tokyo was worried that if such a scenario developed, defense expenditures might be drawn to such a conflict at the expense of other areas where the United States has a military presence, particularly Japan. [redacted]

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### Case Study: The Aid Issue

Although Japanese officials question US policy toward Nicaragua, a close look at Japanese diplomacy suggests many of their decisions concerning Managua and its neighbors are primarily reactions to moves by Washington. For example, in response to pressure from the United States, Tokyo last year began to consider increased aid to El Salvador--which amounted to \$1.2 million in 1983--and the reopening of its embassy in San Salvador. Foreign Ministry officials argued, however, that it would also be necessary to provide some form of assistance to Nicaragua. In 1980 Tokyo had extended \$1.3 million in food aid to Managua and in 1982 had provided humanitarian assistance to flood victims, but had offered no aid since. We believe several factors accounted for the Foreign Ministry's position:

- o The Ministry was under pressure from the Diet to demonstrate that Tokyo's economic aid policy was not simply a response to Washington's requests, but was based on humanitarian need and Japan's own interest in maintaining balanced relations in the area.
- o The Nicaraguan ambassador to Japan had lobbied strongly against opening an embassy in El Salvador, and Japanese officials hoped promises of aid would quiet Managua, and in the process, lessen the leftist guerrilla threat to a reestablished embassy in San Salvador.

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- o Tokyo saw aid as a way to win Nicaragua's support for the Japanese candidate in elections for the International Court of Justice (ICJ) in late 1984.

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[REDACTED] Tokyo dropped the Nicaragua aid plan just before the Reagan-Nakasone summit in January. [REDACTED]

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### The Overall Record

Despite Tokyo's responsiveness in this instance, Japanese officials are showing some signs of restiveness over US pressure on Nicaraguan issues:

- o Tokyo has complained privately that the US objection to humanitarian aid to Nicaragua is unjustified. The Japanese believe that if the pressure they faced on this issue is a result of close consultations with Washington, they would be better off simply giving aid without advance notice.
- o Japanese officials also argue that Tokyo should receive more credit than it has for past support of US policies in Central America, especially compared with the European Community and Canada. [REDACTED]

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Japan's past "support" has in fact been marked more by nonparticipation in anti-US activities than by active cooperation:

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- o The Japanese treated the mining of the Nicaraguan harbors in a low-key manner despite Diet pressure to make a formal demarche to Washington on the issue.
- o Japanese officials have pointed to their decision to abstain from voting on a Nicaraguan draft resolution on Central America in the UN General Assembly, even though it was never put to vote.
- o Tokyo did not send observers to the Nicaraguan elections in late 1984 but also stayed away from the elections in El Salvador in March 1985.

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According to our Embassy in Tokyo, a growing number of Foreign Ministry officials favor following the perceived US lead in support of democratic movements in the region, but the Japanese in fact have stalled when support interferes with their traditional neutral position. Tokyo has not provided aid to Nicaragua, but neither has it significantly increased aid to El Salvador or reopened its embassy there.

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### Prospects

In our view, Japan's approach to the US-Nicaragua dispute will probably continue to be a balancing act--Tokyo will not take steps that blatantly undercut US policy but will resist supporting moves that would jeopardize its neutralist position. Because the foundation of Tokyo's foreign policy is the US-Japan relationship, the Japanese will probably not accede to Nicaraguan requests for humanitarian aid. Moreover, they may hope to appease Washington by participating more actively in low-cost programs such as the Caribbean Basin Initiative.

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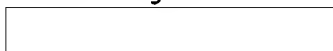
Tokyo is unlikely, however, to offer active support for US initiatives on Nicaragua. We do not believe, for example, that Japan would join in an embargo of Nicaragua--except perhaps in the unlikely event the West Europeans decided to participate.

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With no large stake in Central America at this time, the Japanese do not have an incentive to risk damaging relations with other Latin American countries by siding with Washington. Furthermore, Tokyo is beginning to move toward expanding its role in international affairs and is becoming increasingly involved in areas traditionally of little interest. This new trend is marked in Latin America by gradual efforts to strengthen diplomatic ties and increase aid to countries outside areas of conflict. Tokyo probably believes it cannot afford to appear too closely tied to Washington if it hopes to build its influence in the region.



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